

Opening Statement—*Prepared, not delivered*
Chairman Michael G. Oxley
Committee on Financial Services

“Preventing Identity Theft by Terrorists and Criminals”
November 8, 2001

Thank you, Chairwoman Kelly, for your continued leadership on this issue. By uncovering this problem and organizing today’s hearing, you have brought to light a subject that we need to address now more than ever. Identity theft has always been a despicable crime, but the theft of the identities of the September 11 terrorist victims is something we absolutely must not let happen.

I’d also like to welcome our colleagues from the Ways and Means Committee. Chairman Shaw and Ranking Member Matsui, I believe that by working together we can put a stop to one of the most shameful crimes in America.

As we shall hear today, current practices of the Social Security Administration make crime easier for terrorists and con artists who are the white-collar equivalent of grave robbers. By not immediately notifying the financial industry of death information, the Social Security Administration is giving the evildoers a window of opportunity. The technology is out there to stop this, and the financial services industry needs us to ensure that government is doing its job by making use of new technologies. I am confident that the industry can then take additional measures to meet this challenge, as it has with other challenges it faces in the course of business.

Identity theft is a problem that has grown increasingly more prevalent in the past few years. According to the Federal Trade Commission, identity theft was the top consumer complaint received last year, with the rate of complaints and inquiries increasing at an alarming rate with the widespread use of Internet technology. There are currently over 1,700 cases of stolen identity **per week** that are being reported.

In Ohio, a retired airline pilot who spoke to my staff had his identity stolen by a California man who purchased two homes with his credit information. Another Ohio victim had been dead for 10 days when two felons assumed his identity and stole \$300,000 from his life savings to buy jewelry for resale on the black market.

All too often, the victims or their families must spend countless hours trying to resolve an identity theft with banks, credit card companies and the Social Security Administration. Credit histories are ruined for the living, and the families of deceased victims face additional burdens at the worst possible time. We need to close the loopholes that are allowing criminals to do this.

Once again, Madam Chairwoman, thank you for providing leadership on this issue.

